



[4830-01-P]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-140668-07]

RIN 1545-BH16

Regulations Regarding the Application of Section 172(h) Including Consolidated Groups; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to notice of proposed rulemaking.

SUMMARY: This document contains corrections to a notice of proposed rulemaking (REG-140668-07) that was published in the **Federal Register** on Monday, September 17, 2012 (77 FR 57452). The proposed regulation provides guidance regarding the treatment of corporate equity reduction transactions (CERTs), including the treatment of multiple step plans for the acquisition of stock and CERTs involving members of a consolidated group.

FOR FURTHER INFORMATION CONTACT: Amie Colwell Breslow or Marie C. Milnes-Vasquez at (202) 622-7530 (not a toll free number).

SUPPLEMENTARY INFORMATION:

Background

The notice of proposed rulemaking (REG-140668-07) that is the subject of these corrections are under sections 172 and 1502 of the Internal Revenue Code.

Need for Correction

As published, the notice of proposed rulemaking (REG-140668-07) contains errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the notice of proposed rulemaking (REG-140668-07), that was the subject of FR Doc. 2012-22838, is corrected as follows:

1. On page 57452, in the preamble, column 1, under the caption “ADDRESSES”, line 10, the language “Service, 1111 Constitution Avenue NW.,” is corrected to read “Service, 1111 Constitution Avenue, NW,”.

2. On page 57453, in the preamble, column 2, under the caption “Background”, line 16 from the bottom of the page, the language “return group; (4) application of these” is corrected to read “group; (4) application of these”.

3. On page 57456, in the preamble, column 3, under the paragraph heading C. Loss Limitation Years, line 6 from the bottom of the first paragraph, the language “section 172 and 381 are applied as if the” is corrected to read “sections 172 and 381 are applied as if the”.

§ 1.172(h)-2 [Corrected]

4. On Page 57462, column 1, under the paragraph heading **§1.172(h)-2 Computation of a CERIL.**, fourth paragraph of the column, line 6, the language “addition, under the principles of section” is corrected to read “addition, under the principles of”.

§ 1.172(h)-4 [Corrected]

5. On Page 57465, column 1, under the paragraph heading **§1.172(h)-4 Special rules for predecessors and successors.**, second full paragraph of the column, line 13, the language “occurred. See §§1.172(h)-5(a) (defining” is corrected to read “occurred. See §1.172(h)-5(a) (defining”.

6. On Page 57465, column 3, under the same paragraph heading, line 21 from the top of the column, the language “interest paid or accrued during the 3 year” is corrected to read “interest paid or accrued during the three-year”.

§ 1.1502-72 [Corrected]

7. On page 57471, column 2, under the paragraph heading **§ 1.1502-72 Corporate equity reduction transactions.**, lines 10 and 11 from the top of the column, the language “[$\$10,000,000 + \$100,000 + 250,000 + 175,000$]. See §1.172(h)-2(b)(3) for rules” is corrected to read “[$\$10,000,000 + \$100,000 + \$250,000 + \$175,000$]. See §1.172(h)-2(b)(3) for rules”.

8. On page 57473, column 1, under the same paragraph heading, line 22 of the second paragraph, the language “($[\$1,400 + \$1,000 + 1,200]/3$). Because T is” is corrected to read “($[\$1,400 + \$1,000 + \$1,200]/3$). Because T is”

9. On page 57473, column 1, under the same paragraph heading, line 2 from the bottom of the second paragraph, the language “($[\$1,400 + \$1,000 + 1,200 + \$600 + \$200 +]$)” is corrected to read “($[\$1,400 + \$1,000 + \$1,200 + \$600 + \$200 +]$)”

10. On page 57475, column 3, under the same paragraph heading, line 11 of the second full paragraph of the column, the language “172(h)(3)(C) §1.172(h)-1(c)(3) and (f), and” is corrected to read “172(h)(3)(C), §1.172(h)-1(c)(3) and (f), and”.

Guy Traynor
Federal Register Liaison
Publications and Regulations Branch
Legal Processing Division
Associate Chief Counsel
(Procedure and Administration)